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84TH CONGRESS
1ST SESSION

H. R. 2383

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 1955

Read twice and referred to the Committee on the Judiciary

AN ACT

To authorize the National Inventors Council to make awards for inventive contributions relating to the national defense.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inventive Contributions Awards Act of 1955".

Sec. 2. It is the purpose of this Act to foster invention for national defense by conferring on the National Inventors Council within the Department of Commerce authority to make such awards known as National Defense Awards, as it shall consider just for meritorious inventive contributions made to the National Defense.

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DEFINITIONS

SEC. 3. As used in this Act—

(a) The terms "contribution" or "inventive contribution" mean any contribution of a process, machine, manufacture, or composition of matter in the fields contemplated by the patent law, or of an improvement in, idea for, or for the use of, such a process, machine, manufacture, or composition of matter, whether or not patented, unpatented, or unpatentable, and whether or not original with the contributor, new, or amounting to invention, which is used in the national defense of the United States as a result of communication by the contributor, and which is not subject to the provisions of the Atomic Energy Acts of 1946 (42 U. S. C. 1801–1819) and of 1954 (42 U. S. C. 2011–2296).

(b) The term "contributor" means a natural person who has made an inventive contribution, other than civilian officers and employees of the Federal Government to whom title III, Public Law 763, Eighty-third Congress, applies, or as otherwise included in section 9 (b) herein.

(c) The term "defense agency" means the Department of Defense or any other department, agency, or independent establishment in the executive branch of the Government (except the Atomic Energy Commission), or any wholly owned Government corporation, designated by the President as a defense agency for the purposes of this Act.

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(d) The term "award" means a National Defense Award authorized by section 4 of this Act.

(e) The term "communication" shall mean either a disclosure in writing or a submission of a physical embodiment of the contribution.

(f) The term "Council" means the National Inventors Council within the Department of Commerce.

NATIONAL DEFENSE AWARDS

SEC. 4. Any law to the contrary notwithstanding, whenever any contributor has directly or indirectly communicated his contribution to any defense agency, and any such agency in consequence of such communication has used or caused to be used such contribution, the National Inventors Council may make a National Defense Award to such contributor or his heirs in such amount, and subject to such terms and conditions, as the Council shall determine in conformity with the provisions of this Act to be a proper award for the use thereof.

NATIONAL INVENTORS COUNCIL

SEC. 5. (a) The National Inventors Council shall perform the duties required of it by the provisions of this Act.

(b) The Council, subject to the approval of the Secretary of Commerce, may promulgate such rules and regulations, not inconsistent with this Act, as may be required for the performance of its duties hereunder.

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(c) There is hereby authorized to be appropriated such funds as are necessary to meet administrative expenses of the Council in performance of its functions under this Act, except no appropriations authorized under this subsection shall be used for the payment of any award under this Act.

APPLICATIONS FOR AWARDS AND PROCEEDINGS THEREON

SEC. 6. (a) Any contributor may file with the Council an application for an award under section 4 of this Act, or be recommended for an award by the head of any defense agency. Such application or recommendation may be filed upon information and belief, and shall contain a statement concerning—

(1) the nature of such contribution;

(2) the ownership thereof;

(3) the date and manner of its communication to any defense agency;

(4) the nature and extent of the compensation received by such contributor from the United States in connection with the contribution;

(5) the nature and extent of the award for which application or recommendation is made pursuant to this Act; and

(6) such other information as the Council shall prescribe by its rules.

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(b) Each application or recommendation so filed shall be transmitted to the Council which, subject to the provisions of this Act, shall determine the questions presented by such application, and shall make a report thereon in which it shall set forth—

(1) its findings of fact;

(2) its conclusions and recommendations on the question whether the contributor is entitled to an award under this Act; and

(3) the terms and conditions upon which any such award should be made.

DETERMINATION OF ELIGIBILITY FOR AWARDS AND QUANTUM THEREOF

SEC. 7. (a) In any proceeding under this Act, the contributor shall bear the burden of establishing the communication of the contribution in question, except that the submission of a contribution to the National Inventors Council and by that Council to a defense agency shall constitute proof of communication.

(b) In any proceeding under this Act if the Council finds that the contributor communicated the contribution and as a result thereof it was used, it may make an award, and recommend payment thereof in a lump sum or in periodic installments.

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(c) In determining the amount of any such award consideration shall be given to—

(1) the novelty, originality, and utility of the contribution;

(2) the extent to which such development was made at the expense of the contributor, and the extent to which such development was made at the expense of the United States;

(3) the extent to which the contributor has benefited, will benefit, or reasonably can be expected to benefit through the commercial exploitation of such contribution;

(4) the extent to which the contributor has been denied the benefits of commercial exploitation of such contribution in consequence of any secrecy restrictions imposed by the United States; and

(5) the extent to which the contributor has been compensated for said contribution by the United States.

(d) If, in any proceeding under this Act, it shall appear to the Council that more than one contributor is entitled to compensation with respect to the same contribution, it shall ascertain and determine the interests of each such contributor and shall recommend the division of the award, in such proportions as it shall deem equitable, among all persons whom it shall find to be entitled to share therein.

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(e) A contributor shall not be barred from eligibility for an award on the ground that he has given the Government a license under his invention either with or without receipt of cash consideration or by virtue of the fact that the Government claims an equitable license under his invention.

(f) It shall not be necessary that the contributor own the inventive contribution or possess any property interest in it in order to be eligible for an award, but the Council may consider as an additional factor, potential claims by others for the same contributions, or similar contributions, in determining the amount of an award, if any.

PAYMENTS OF AWARDS

SEC. 8. (a) Any award made pursuant to this Act may be paid in a single payment or by such periodic payments as the Council may recommend.

(b) Awards so made shall be paid from funds appropriated to the defense agency principally interested in the contribution for which such award is made, as determined by the Council, and may be paid from any funds appropriated to such agency which are available for the procurement of equipment or supplies incorporating such contribution or resulting from the practice of such contribution. If such funds are not available to such agency for the payment of the award, the head of the agency shall so certify and

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shall include in his budget estimate for the next fiscal year an appropriate item for the payment of such award.

(c) No award shall be paid under this Act to any contributor or with respect to any contribution in any amount exceeding $50,000 until such award has been transmitted to and approved by the Congress. The approval of the Congress to any such award shall be deemed to have been granted upon the expiration of the first period of six months of continuous session of the Congress following the date on which such award is transmitted to it for approval, but only if prior to the expiration of such period there has not been passed a concurrent resolution disapproving such award or approving such award in a reduced amount or subject to different conditions. If within such period any such resolution is passed authorizing payment of such award in a reduced amount or subject to different conditions, payment of such award may be made in conformity with the terms of such resolution.

PROCEEDINGS UNDER OTHER STATUTES

SEC. 9. (a) Nothing contained in this Act shall—

(1) prevent any defense agency from making any payment to any contributor pursuant to any other provision of law; or

(2) bar any contributor from prosecuting any suit under any other provision of law; or

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(3) prohibit any department or agency of the United States from making any payment to a contributor pursuant to any administrative order of such department or agency.

(b) An officer or employee of the Government shall not be eligible for consideration for an award pursuant to this Act unless he has received the maximum monetary award that may be granted for an invention under the Government Employees' Incentive Awards Act (68 Stat. 1112).

SEC. 10. Section 10 (r) of the Army Air Corps Act approved June 2, 1926, as amended by Act approved March 3, 1927 (10 U. S. C. 310 (r)), is hereby repealed.

SEC. 11. The provisions of this Act shall be prospective only and shall affect inventive contributions communicated after the effective date of this Act.

Passed the House of Representatives July 30, 1955.

Attest: RALPH R. ROBERTS,

Clerk.

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